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TO: ALL OFFERORS

FROM: PETER KOROLYK
STATE CONTRACT PROCUREMENT OFFICER

SUBJECT: ADDENDUM TO REQUEST FOR PROPOSAL
NO.: GSS10384-CELL_DATA_SVC
CELLULAR AND DATA EQUIPMENT AND SERVICES

ADDENDUM #1

Before the State provides the responses to the questions received from potential bidders, it has become necessary to make two (2) targeted modifications to the RFP requirements. Specifically, the State has expanded the scope of work in an effort to receive more complete responses from the contract respondents.

The two (2) changes are listed below, and will then be followed by the question and answer summary.

- 1) Effective January 2nd, 2011 the State of Delaware's Cell Phone Law takes effective, making it illegal to drive and talk on a hand-held cell phone or other similar electronic unit without a hands free device. Accordingly, the State is seeking to clarify several requirements that will be directly impacted by this change in the law.

In Sections 2.2.2., 2.3.2., and 2.6.6.1., the State has identified certain accessories which the State wants to see provided with the delivery of newly activated devices. Specifically, one of the accessories listed is a hands free device, such as an ear bud or headset.

When ordering cellular telephones, PDA's or Blackberry devices through the awarded contract vendor(s); for each newly activated device, would the vendor(s) be willing to substitute a compatible Bluetooth enabled hands free device in exchange for the unspecified hands free device referenced in Sections 2.2.2., 2.3.2., and 2.6.6.1.? If yes, would the substitution be free of additional charge? Or, would the State be required to pay an additional surcharge to obtain the optional Bluetooth equipment?

If an optional charge is required, how much would the ordering entity be charged? Or, would the State receive a credit adjustment off the price of a compatible accessory supplied by the awarded vendor? To avoid unnecessary expenses of shipping and possibly exchanging equipment, the State would be required to specify a substitution when the cellular, PDA or Blackberry device (with voice plan) is ordered.

If a substitution would not be acceptable, or a responding firm would like to place limitations to a substitution program, please respond accordingly.

Responses to this modified request for information should be noted in Sections 2.2.2, 2.3.2, and 2.6.6.1.

- 2) Currently, the State provides considerable time and resources to troubleshoot equipment and respond to service issues for its users. In Section 3.3.1., and Section 6, Administrative Services Requirement, Items 1, 2, 3 and 4, the State has requested information about the vendor personnel that will provide service to the State of Delaware accounts and users.

While the State acknowledges that service providers may not have manufactured any of the equipment supplied, wireless service providers generally do have the ability to perform simple technical tasks including, but not limited to, data transfers, equipment operability tests, battery checks, and general equipment guidance and instruction. Additionally, the State believes that wireless service providers often provide a level of support to manufacturers' before warranty replacement or repairs are performed. Therefore, the State requests that when a vendor respond to Sections 3.3.1, and Sections 6.3 and 6.4, the responding vendor provide the State with a detailed list of capabilities and locations that can and will service the State's end users.

The State considers each vendor to be more knowledgeable about products and service subject matter issues and instruction. Accordingly, the State is seeking to move the DTI group out of the role of end user support role for cellular telephones, PDA's, Blackberry's and mobile devices. The State will still be required to initiate service with the awarded vendor(s), selecting hardware, service plan and other required initial selections as necessary. Equipment delivery and activation will occur directly between the user and the service provider, unless directed otherwise, when the initial order is placed. The State will continue to maintain the policies and standards that align mobile data and personal digital assistant devices to the appropriate internal State infrastructure networks. Last, phone upgrades and service program modifications will not occur at the local service provider level, but will still occur through agency representatives. **After initial delivery to, and activation of the product by the end user, the State expects the service provider be ready and available to answer questions and provide support to the State's cellular and other wireless device users.**

All costs associated with providing support to the State's users will be included in the cost of the products and services provided. If any vendor believes that some limitations should be placed on this basic level of support, the vendor shall specify their restrictions in their bid response and in the Appendix C – Exceptions tab.

Any examples provided above illustrate a sample of what assistance, help or guidance may be required by prospective wireless service providers. Additionally, the examples are not meant to be complete or exhaustive, but to provide wireless service providers with a framework on which to create a response. The State is committed to partner with the awarded vendor(s) to ensure that the end users receive the support and instruction they need to make the most of their wireless equipment and service.

The following questions have been submitted by vendors for the Cellular and Data Equipment and Services contract.

Q1. Page 11 - Tax Exemption (b). "All transportation charges shall be paid by the contractor." Is the State requesting that the contractor be responsible for all shipping charges incurred for items purchased under the contract?

Answer: As stated, the State requests that the vendor pay for all shipping charges incurred for items purchased under this contract. Each vendor should review their pricing to ensure that they have adequately accounted for the costs of shipping items purchased by the State.

Q2. Page 28 - #3. E-Rate Service Provider Responsibilities (First Bullet). Please define the role and responsibilities the State is requesting of the contractor's E-rate contact.

Answer: In answer to this question, please refer to the Universal Service Administrative Company (USAC) website for Service Providers at: <http://www.usac.org/sl/providers/>

Included in the Service Providers' responsibilities are:

When responding to E-Rate Forms 470 or RFPs, service providers should comply with all appropriate state or local procurement rules and/or regulations and competitive bidding requirements. Service providers should also comply with any specific requirements detailed in an RFP.

Service providers must give applicants the choice between receiving discounted bills or paying their customer bills in full and requesting reimbursements from USAC through the service provider. In both cases, USAC will pay the service provider. Service providers are encouraged to make the appropriate arrangements with applicants before the applicant files E-Rate Form 471.

Service providers are encouraged to provide the correct Service Provider Identification Number (SPIN), billing account number(s), and other identifying information. Service providers should also assist applicants with identifying ineligible products and services, which should not be included in funding requests.

After the E-Rate Form 471 is submitted, service providers can provide details as requested on the products and services contained in the funding request as it is being reviewed by USAC. For example, USAC may need to request further information about the specific

products being purchased and the details of the requested technical services. USAC may also request copies of vendor quotations, a specific listing of the modules or specifications for a product, and/or copies of contracts. It is particularly important that the E-Rate Form 471 - Item 21 Attachments, which contain specific information about products, services, configurations, and additional details, are complete and correct. Applicants can seek assistance from service providers in completing their E-Rate Form 471 - Item 21 Attachments, and they are encouraged to share the Item 21 Attachments with their service providers even if the service providers did not assist them. **Additional examples of service provider assistance in creating the E-Rate Form 471 - Item 21 Attachment** can include one or more of the following:

- An online submission
- Applicant-provided documentation
- A quote or bill from the vendor
- A copy of the contract for the service

Q3. Page 36 - 1.1.6 Technical Specifications. The State is requesting unlimited email, text and paging, but is also requesting "allow for pool data usage across devices." Can the State please clarify what data usage they would like to pool?

Answer: The State is requesting unlimited text and paging as part of the cellular service provided. Are there any other options available that allow cellular users to "pool" data services, other than the free services requested, across a group of users? If so, what are the parameters, restrictions and pricing?

Similarly, for mobile data services, the State has requested two threshold services, low (250MB) and unlimited usage levels for data services, which are specifically noted in the Pricing response section. The State would like to know if there are any optional mobile data plans that would allow for "pooled" usage across a group of users. If so, what are the parameters, restrictions and pricing?

Q4. Page 46 - 2.6.4 Spares. This section states that "a ratio of one for ten is requested, whereas one spare will be provided for each wireless phone in service. " Should it read " a ratio of one for ten is requested, whereas one spare will be provided for every 10 wireless phones in service? Please clarify.

Answer: Yes. The State requests that one (1) spare phone be provided for every ten (10) active wireless phones in service.

Q5. Page 48 – 2.6.6.2 of Particular Technical Requirements. Car kits were frequently used by customers in the past prior to the development of the Bluetooth technology. As a result, there are little to no car kits currently being implemented. In what instances would the State use a Hands Free Car Kit?

Answer: The Car Kit language is left over from the last time the State posted an RFP for cellular and data equipment and services. At that time, analog technology was more prevalent than digital technology, and in order for the State's users to receive signals, car kits were necessary on a more frequent basis. Based on current feedback and the advent of Bluetooth technology it does not appear that the State will require car kits.

However, because the possibility exists that select executive level personnel will still require mobile platforms in which to work, the State is unable to completely remove this section from the RFP language. Instead, the State acknowledges that this will not be a “common” service required, if at all. Additionally, the State asks that all respondents identify any restrictions, limitations or thresholds that will be placed on the State requesting car kits be installed.

Q6. Page 49 – 3.2 Installation. As indicated in the previous question, customers are less frequently requesting installation of equipment associated with car kits due to the development of Bluetooth technology. Can the State please clarify in what instances they would need a contractor to install antennas and mounting hardware, etc., in vehicles?

Answer: Please see the answer to question #5 (Q5).

Q7. Page 50 – 3.3.2 Car Kits. As indicated in the two (2) previous questions, customers are less frequently requesting installation of equipment associated with car kits due to the development of Bluetooth technology. Can the State please clarify in what instances they would need a contractor to remove and transfer equipment, its accessories and installation materials from one vehicle to another?

Answer: The State has been unable to determine how many car kits are currently installed. Therefore, the State has been unable to determine how many car kits would need to be transferred. Similar to the response in Q5 above, the State does not perceive this requirement to be a significant investment by the responding vendors. Therefore, responding vendors are encouraged to establish a threshold or limitation to the number car kits can be transferred, and under what circumstances.

Q8. Page 50 – 3.4 Activation Service. Is the State requiring the contractor to activate all equipment requested by the State without charge and to ensure that such requested equipment will operate efficiently whether or not such equipment is provided by contractor or a third party vendor? Can the State please clarify this requirement?

Answer: When a cellular telephone, mobile data device, PDA or Blackberry is requested by the State through the awarded vendor(s), any device requested, received and receiving service through same awarded vendor shall be activated without additional surcharge.

Additionally, should the State be required to transition from the incumbent vendor, the State requests that if phones can be migrated from the existing carrier to a new vendor network, that phones be activated with new service at no additional charge.

If a service transition is required, after the initial transition period expires, wireless phones, mobile data devices, PDA's and Blackberry devices purchased from third party suppliers (vendors other than the awarded contractors), while this contract remains active, are exempt from the free activation request.

Q9. Page 56 – 9.5 Employee Discount Program. Could the State please clarify if it is the State's intent for the contractor to incorporate any Employee Discount Program into its state pricing program offer proposed to the State under any resulting state contract, or should the contractor provide its Employee Discount Program offer as a separate program offer within their response?

Answer: Any employee discount pricing program offered by a responding vendor will be separate from the State's solicitation for cellular and data equipment and services bid. The State is inquiring to any programs that may be offered to its personnel for said services. There is NO REQUIREMENT that any bidder offer discounts to its personnel. Decisions to offer employee discounts are left up to the discretion of each bidder.

Additionally, if a discount is offered by a provider, there is NO REQUIREMENT that the discounts offered to employees match the pricing being submitted in response to the State bid. The State views any offers of this kind to be separate, and will NOT impact scoring.

Q10. Does the State of Delaware accept the BEAR form to support E-Rate? (Page 29 of the RFP)

Answer: Yes, the State accepts the BEAR Form 472 and prefers its E-rate funding via reimbursement check following the BEAR process, rather than discounted invoices. This RFP is cited in E-Rate Form 470 #695520000844086 posted on 08/10/2010 and found on the Schools & Libraries Division website at:

http://www.sl.universalservice.org/Search_FundYear_Select.asp

Please refer to that Form 470 for more E-rate detail.

Q11. Section 2.6.8.1 – Could you provide more detail/specifics on what codes and types of codes you are referring to?

Answer: As listed in the RFP, the State is asking vendors to supply all codes that will assist the State and its users make the most out of its wireless devices. For example, the following codes were referenced, (but may not still actively be used):

- *661 – formerly used to access the mobile web

- *22899 – activates a phone

- *228 – provides access to a menu that allows a user to update the phone's software

Similarly, codes, which may be specific to provider, can be used to check minutes available, data usage, etc. Typically, quick access codes are not associated with any specific device, but are carrier specific instead. The State would like to have a better understanding of services and options that may already be programmed, through quick access codes, into the carrier's devices.

Q12. Award and Execution of Contract, 5. Requirement of Contract Bond: Is a Contract Bond required with the execution of the formal contract or is this requirement waived as the Bid Bond and Performance Bond requirements?

Answer: There are NO bonds required in association with this contract. Both performance and bid bonds have been waived.

Q13. 2. Award and Execution of Contract, 5. Requirement of Contract Bond: Please provide the total and/or annual contract value the State has allotted for Mandatory Use State Department and Agencies? The contract value will determine the amount of the Contract Bond required with the execution of the formal contract.

Answer: There are NO bonds required. Therefore, there is no need to determine an amount for a contract value.

Q14. 3. Award and Execution of Contract, 5. Requirement of Contract Bond: Will the State allow annual Contract Bonds? Our Surety Company will only issue bonds in 12-month increments and the term of this contract would be 32 months plus two one-year options to renew.

Answer: There are NO bonds required.

Q15. 4. Are there any bonds that need to be submitted with the proposal or are all bonds required upon contract award?

Answer: No bonds will be required for any proposals submitted to the State. No bonds will be required prior to award.

Q16. 5. Award and Execution of Contract, 21. Mandatory Usage Report subsection B: Is the use of MBE, WBE, Veteran's or Service Disabled Veteran's sub-contractors required for this contract? It appears the Subcontracting Quarterly Report is a requirement but the provision does not state whether or not the use of a MBE, WBE, Veteran's or Service Disabled Veteran's sub-contractor is a requirement.

Answer: The State does not require mandatory use of MBE, WBE, Veteran's or Service Disabled Veteran's sub-contractors. Similarly, the State is offering no preferences for a bidder that employs the before mentioned sub-contractors.

However, the Subcontracting Quarterly Report is requirement but is only intended as an information gathering tool. There are no requirements in this contract to employ or subcontract to any groups previously mentioned.

Q17. 6. Section D – Equal Opportunity - Item 24 – Billing - Can the State clarify what is meant by the term “Bill as Shipped” located in item 24. Billing requirement?

Answer: “Bill as Shipped” tells the awarded vendor(s) to bill to the agency, group or entity that the product was shipped to. For example, if the Delaware State Police ordered phones and service, then the Delaware State Police would be the recipients of all bills for goods and services.

Q18. 7. Section D – Equal Opportunity - Item 32 – Life Cycle Cost Analysis - Can the State clarify what is meant by the term “Life Cycle Cost Analysis” located in item 32. Life Cycle Cost Analysis requirement?

Answer: The entire section of the RFP was as follows:

“If applicable, the specifications contained within this RFP have been developed through Life Cycle Cost Analysis that will allow the State to realize the lowest total cost of ownership and operation over the useful life of the equipment.”

Life cycle cost analysis can be utilized to establish specifications for contracts that involve high value, capital goods with extended functional life cycles, and may include analytical evaluations based on depreciation and residual costs.

However, the RFP language that indicated “if applicable” is the most important part of this phrase, and Life Cycle Cost Analysis is not applicable to determining the specifications of the RFP. Therefore, the question and further response is not pertinent for a vendor creating a response for the State.

Q19. 8. Appendix A – Scope of Work Details - Item 1.3 – Service Area – Item 1.3.4.2 - Is the State willing to allow contractors into the buildings listed in section 1.3.4.2 in the next few days to determine if additional coverage is going to be needed?

Answer: The State will not escort vendor personnel through the buildings listed in Item 1.3. – Service Area – Item 1.3.4.2. If public access exists in any state buildings, vendors have the right to enter and determine the level of signal strength independently.

By specifically listing these buildings, the State is seeking a “good faith” commitment by a submitting vendor to amplify signal strengths with additional equipment, if necessary. In fact, the RFP stated “the State will work closely with the successful bidder to accomplish this task.”

The buildings identified are examples of areas where the State may require additional vendor resources. Last, since there are other agencies may utilize this contract, there is no reasonable way to individually assess all the possible locations that might need additional resources. Again, this is why the State is willing to work with vendors to provide a solution.

Q20. 9. Appendix A – Scope of Work Details - Item 3.5 – Access Service – Can the State provide more clarification on what if meant by “Access Service” for this requirement.

Answer: For clarification, please view this title as “Access to Service”. The State maintains that vendors providing an RFP bid response acknowledge that providing access to service is a key component by vendors seeking the contract award. Although some limitations may exist, and service may be interrupted occasionally, service and access to the vendor’s servicing network remain a key contract component.

Q21. 10. Would the State be willing to sign an NDA to receive detailed coverage maps and detailed coverage information?

Answer: The State will not sign an NDA (Non-Disclosure Agreement) in order to receive detailed coverage maps and detailed coverage information.

All documents submitted as part of the vendor's proposal will be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the State of Delaware/Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract.

The State of Delaware is a public agency as defined by state law, and as such, it is subject to the Delaware Freedom of Information Act, 29 Del. C. Ch. 100. Under the law, all the State of Delaware's records are public records (unless otherwise declared by law to be confidential) and are subject to inspection and copying by any person. Vendor(s) are advised that once a proposal is received by the State of Delaware and a decision on contract award is made, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information.

Vendor(s) shall not include any information in their proposal that is proprietary in nature or that they would not want to be released to the public. Proposals must contain sufficient information to be evaluated and a contract written without reference to any proprietary information. If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 Del. C. § 10002(d), and briefly stating the reasons that each document meets the said definitions.

Q22. 11. Are additional "Terms and Conditions" allowed to be added to contract?

Answer: The State believes that all Terms and Conditions have been adequately addressed within the body of the RFP and Addenda associated with this contract.

If at a later date, the State must modify any terms associated with this contract, the State will negotiate with the awarded vendor(s) in good faith.

Q23. Does the State of Delaware currently utilize the Western States Contracting Alliance (WSCA) contract for the purchase of its wireless devices and service?

Answer: The State of Delaware does not utilize the WSCA agreement for the purchase of its wireless devices and service.

Q24. If not, would the state be willing to utilize the WSCA agreement for the purchase of its wireless services or do you require a stand alone contract?

Answer: At this time, the State would prefer a stand-alone contract.

Q25. How many Mobile Data Devices/AVL devices does the State of Delaware currently have in use (Section 2.4.2)

Answer: For the most accurate accounting of devices in use by the State of Delaware, please refer to Appendix B – Contract Utilization. The appendix divided up into two (2) files illustrates five months of contract activity, and lists the devices currently in use.

Q26. How many Car Kits does the state anticipate would need to be changed out (Section 2.6.6.2 & 3.3.2)

Answer: Please see the responses to questions 5, 6 and 7 above. Referred to as Q5, Q6 and Q7.

Q27. Is MBE participation required in this bid? If so, to what extent is it required.

Answer: MBE participation is NOT required for this bid.

Q28. Can the State please clarify what is meant by the statement ‘the purchasing of all items on this contract’? Does this also include equipment and/or accessories purchased during a specific billing cycle? (Section 21)

Answer: The State of Delaware requests that the awarded vendor report all billable activity to the State for any given month or quarter. Therefore, if a phone is purchased and activated during a given period, then the cost of the phone and the service charges for the month should be reported. “Free” phones, devices and accessories may be excluded from the reporting requirement.

The State of Delaware utilizes these reports to “capture” the amount of money being spent providing cellular and data equipment and services to its employees.

Q29. If the State is requesting a report that reflects equipment and/or accessories would the State like to see this as a separate report? (Section 21)

Answer: The State prefers to see one report for equipment, accessories and services.

Q30. Can the State please clarify what is meant by “Vendors not having activity during a specific month, shall reply with a “no activity” if there is no activity during the reporting period.”? Does activity mean equipment or accessory purchases? (Section 21)

Answer: The verbiage referenced above has been placed in the RFP language to notify smaller, less active vendors that monthly and/or quarterly reports are required, even if there is “no activity” during a given period. For the Cellular and Data Equipment and Services contract, a “no activity” statement on a usage report would refer to no money spent for equipment, accessories or services.

As a further clarification, if an awarded vendor provides services, but did not sell equipment or accessories to the State for any given period, the State does not expect the vendor to provide a “no activity” notice for the equipment and accessories.

Q31. To simplify the reporting requests would the State be acceptable to multiple reports to gather all the information being requested? (Section 21)

Answer: The State prefers one report for each.

Q32. Section A – Voice Services - Plan B (page 60): RFP states “Individual Monthly” plan type – does this mean the state does not want these plans to pool minutes or share minutes?

Answer: Individual monthly plans refer to one plan for one person, with no pooling or sharing of minutes.

Q33. Section A – Voice Services - Plan C (page 61): RFP states “ Business Share” plan type – Is the state looking for pooled minute plans that pool across all users or shared plans that share a maximum # of minutes with a specific number of lines and not all lines (for example a primary line and 4 secondary lines all share a plan with 900 minutes)?

Answer: A “Business Share” plan refers to plans that offer the State to ability to pool minutes across a number of users.

For example, if a vendor allowed five people to share a pooled line and a 900 minute Business Share account. One person would be designated as a primary user, and then the other four people would be secondary users with 900 minutes total to share across all users. And, overage charges to accrue over the 900 minutes allotted.

In reference to Q32 and Q33, the State recognizes that “one size does not fit all” and has requested a variety of plan structures and pricing be provided. The sample set of plans requested is intended to provide a snapshot of a vendor’s ability and cost structure for easier comparisons.

In the RFP, vendors have been offered several opportunities to offer plans and discounts not specifically addressed. While the State will not penalize the scoring of any vendor for not offering additional programs, additional plans and information may identify a provider

with greater capacity and plan flexibility. Once an awarded vendor(s) is selected, the State will review all plan options submitted as part of the RFP bid response to select the most appropriate plans for its personnel.

All other terms and conditions remain the same.

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